

HOMECHOICE INTERNATIONAL plc  
(Incorporated in the Republic of Mauritius)  
Registration number: C171926  
JSE share code: HIL  
ISIN: MT0000850108  
("HIL" or "the group")

## AUDITED SUMMARISED GROUP FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

### Digital acceleration despite Covid-19 impact to trading performance

- Cash on hand up >100% to R415 million (2019: R80 million)
- >50% of transactions on digital platforms
- Revenue down 6.0% to R3.3 billion
- Retail sales down 8.1% to R1.8 billion
- Loan disbursements down 15.3% to R1.9 billion
- Cash conversion rate increased to 177.0% (2019: 58.2%)
- Operating profit decreased by 60.2% on impact of Covid-19 and lower gross profit margin
- Earnings per share down 63.2% to 160.4 cents
- Headline earnings per share down 62.3% to 164.2 cents
- No dividend declared
- Total dividend nil (2019: 87.0) cents per share

Executive Chairperson, Shirley Maltz, commented: "The financial results were heavily impacted by Covid-19. We took decisive action taken to conserve cash, protect the debtor books, focus on collections, look after our staff and accelerate digital. Our 6.0% decrease in revenue was further impacted by the 300bps drop in the repo rate, lower gross profit margin, higher debtor costs from Covid and insufficient decrease in expenses. Operating profit declined by 60.2%. Pleasingly we achieved an outstanding cash conversion of 177% with resilient collections and a dedicated focus on cash management. Strong relationships with our banking partners enabled us to refinance and upsize our banking facilities to R1.0 billion.

Our digital transformation further accelerated in 2020, with now 52.5% of the group's transactions taking place on digital platforms. Digital retail sales increased by 69.7% and now account for 25% of sales. Our brands and products continue to resonate with customers. 270 000 new customers were acquired in the year, increasing our total active customer base to 905 000. Our Financial Services digital offerings continue to perform well.

The board has not declared a dividend and will reinvest in the group to take advantage of attractive growth opportunities in the year ahead."

## **SHORT-FORM NOTICE**

This short-form announcement is the responsibility of the directors of HIL. It is a summary of the information contained in the full announcement and does not contain full or complete details.

Any investment decisions by investors and/or shareholders should be based on a consideration of the full announcement. The full announcement has been released on SENS and a more comprehensive analysis of HomeChoice International's results and outlook, can be accessed on the following JSE link: <https://senspdf.jse.co.za/documents/2021/JSE/ISSE/HILE/FY2020.pdf> and published on [www.homechoiceinternational.com/financial-results/](http://www.homechoiceinternational.com/financial-results/)

The annual financial statements, incorporating the external auditor's report, which sets out a key audit matter and their basis for their unqualified opinion, are available at [www.homechoiceinternational.com/financial-results/](http://www.homechoiceinternational.com/financial-results/)

Copies of the full announcement may be requested from the company secretary at [governance@homechoiceinternational.com](mailto:governance@homechoiceinternational.com)

## **CORPORATE INFORMATION**

Registered office: c/o Sanlam Trustees International Limited, Labourdonnais Village, Mapou, Riviere du Rempart, Mauritius

Non-executive directors: A Chorn, E Gutierrez-Garcia\*, R Hain, M Harris, P Joubert, A Ogunsanya\* (alternate) \* Non-independent

Executive directors: S Maltz (Executive Chair) G Lartigue (Chief Executive Officer), P Burnett

Company secretary: Sanlam Trustees International Limited

**Mauritius, 24 March 2021**

Sponsor: Rand Merchant Bank (A division of First Rand Bank Limited)